

FLORENCE COPPER INC.

1575 W. Hunt Highway, Florence, Arizona 85132 USA

florencecopper.com

February 9, 2022

David Albright
Manager, Groundwater Protection Section
USEPA Region 9 (WTR-4-2)
75 Hawthorne Street
San Francisco, CA 94105

Re: Transmittal of Mechanical Integrity Testing Summary 2021
Production Test Facility Injection Wells I-01, I-02, I-03, and I-04
Florence Copper, Inc.; Florence, Arizona

Dear Mr. Albright:

Florence Copper herewith transmits the enclosed technical memorandum, *Mechanical Integrity Testing Summary Production Test Facility Injection Wells: I-01, I-02, I-03, and I-04 Florence Copper Inc., Florence, Arizona*.

Please contact me if you require any additional information.

Sincerely, Florence Copper, Inc.

Brent Berg
General Manager

cc: Nancy Rumrill, U.S. Environmental Protection Agency Daniel Reeder, ADEQ

Enclosure





TECHNICAL MEMORANDUM

10 January 2022 File No. 134160-020

TO: Florence Copper Inc.

Ian Ream, Hydrogeological Superintendent

FROM: Haley & Aldrich, Inc.

Laura Menken, R.G.

SUBJECT: Mechanical Integrity Testing Summary

Production Test Facility Injection Wells: I-01, I-02, I-03, and I-04

Florence Copper Inc., Florence, Arizona

Introduction

This Technical Memorandum presents the results of mechanical integrity testing of Production Test Facility (PTF) injection wells I-01, I-02, I-03, and I-04 during November and December 2021 for Florence Copper Inc. (Florence Copper) in Florence, Arizona.

Injection wells I-01, I-02, I-03, and I-04 are located within the Underground Injection Control (UIC) Permitted Area of Review for UIC Permit R9UIC-AZ3-FY11-1 and were completed as Class III injection wells for the PTF (Figure 1).

Florence Copper contracted Verdad Group, LLC to perform the mechanical integrity testing, and a Haley & Aldrich, Inc. field geologist provided oversight for each test.

Demonstration of Mechanical Integrity

Florence Copper conducted Part I mechanical integrity testing at the four injection wells by means of a Standard Annular Pressure Test (SAPT) in accordance with Part II.E.3.a.i.A of the UIC Permit. The mechanical integrity tests were performed on the dates listed below:

Well ID	Mechanical Integrity Test Date
I-01	12/13/2021
I-02	11/30/2021
I-03	12/06/2021
I-04	12/17/2021

Florence Copper Inc. 10 January 2022 Page 2

Completed SAPT forms are included in Appendix A. As-built diagrams are provided in Appendix B.

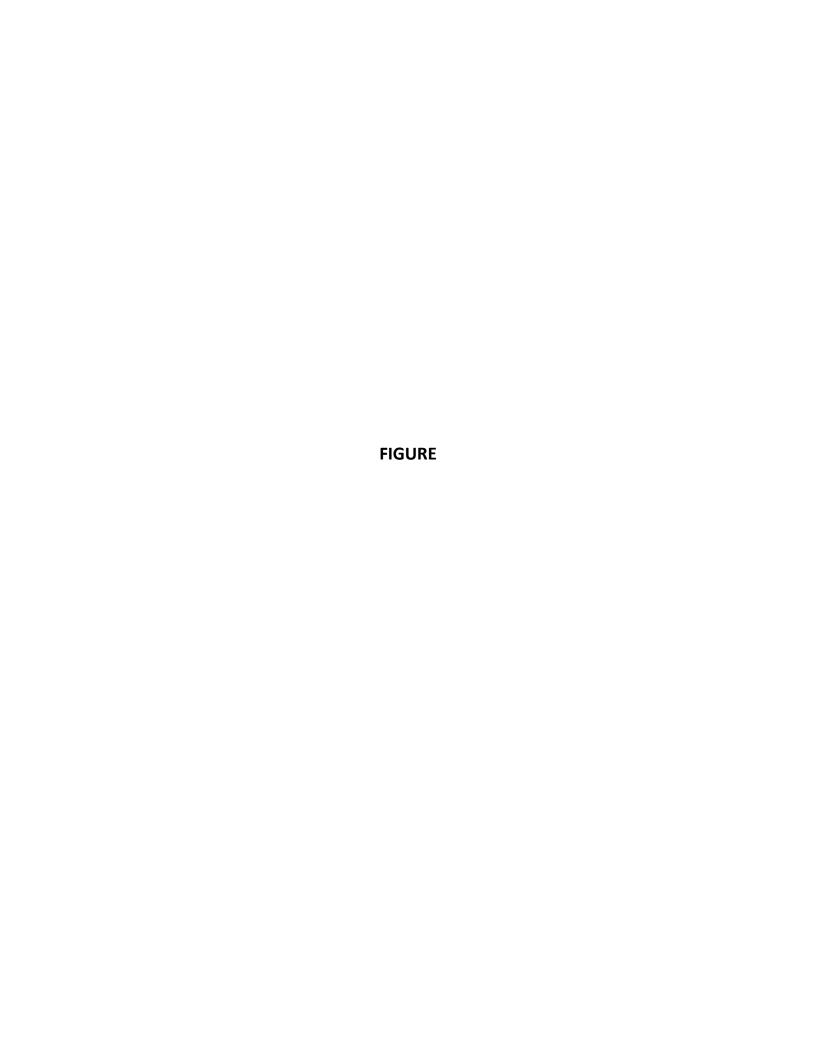
Results

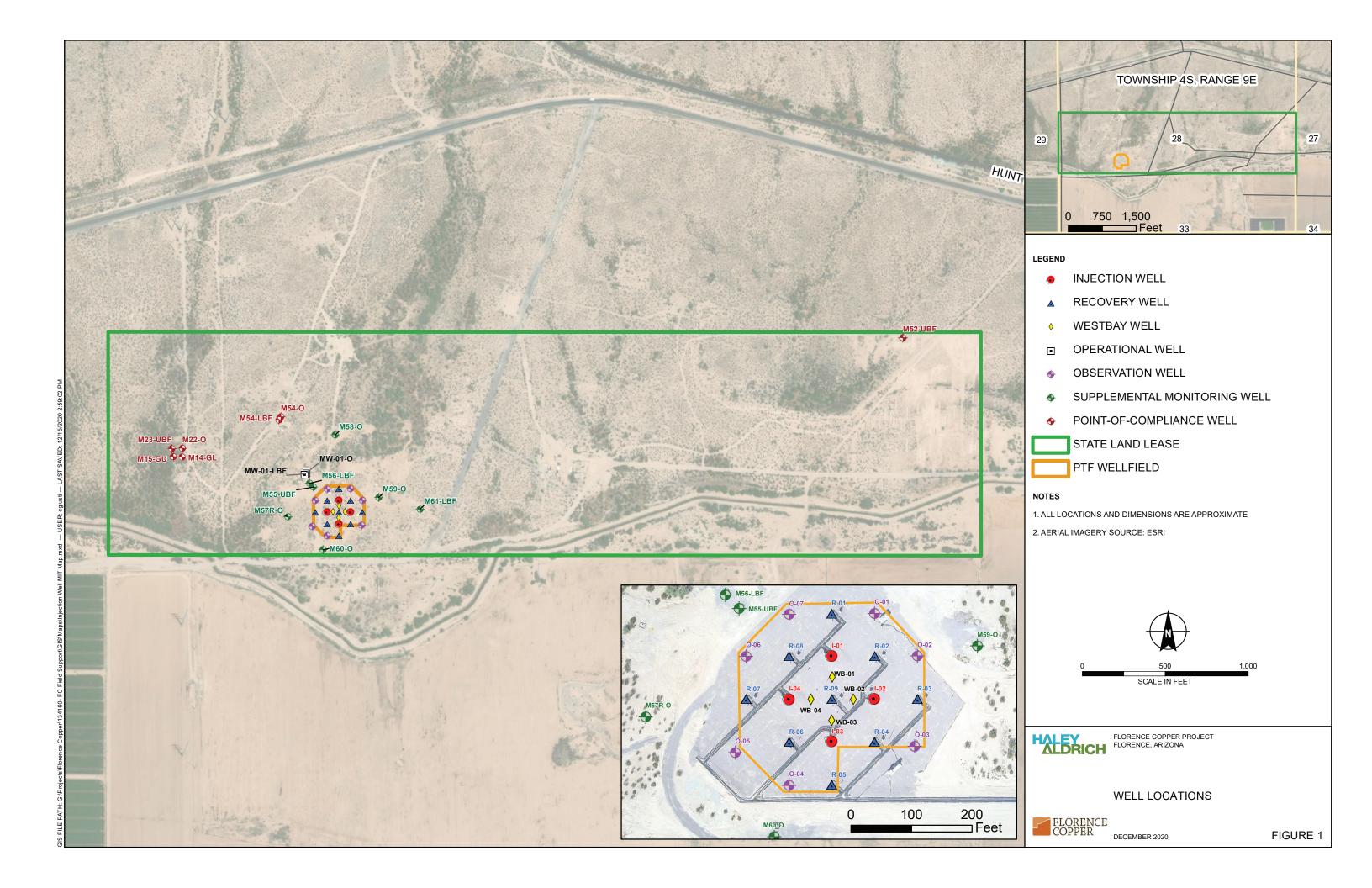
Each of the four injection wells passed mechanical integrity testing. Results of the tests are presented in the completed SAPT forms (Appendix A).

Enclosures:

Figure 1 – Well Locations Appendix A – Completed Standard Annular Pressure Test Forms Appendix B – Injection Well As-Built Diagrams







APPENDIX A

Completed Standard Annular Pressure Test Forms

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY STANDARD ANNULAR PRESSURE TEST

Operator Florence Copper. Inc	State Permit No. P-101704				
Address 1575 West Hunt Highway	USEPA Permit No. R9UIC-AZ3-FY11-1				
Florence, AZ 5132	Date of Test 12/13/2021				
Well Name I-01	Well Type Env-Injection-Class III				
LOCATION INFORMATION SW Quarter	of the NE Quarter of the SW Quarter				
of Section ²⁸ ; Range ^{9E} ; To	wnship 4S ; County Pinal ;				
Company Representative lan Ream	; Field Inspector Collin Giusti ;				
Type of Pressure Gauge Transducer inch face; 300 psi full scale; 0.001 psi increments;					
New Gauge? Yes □ No 図 If no, date of calibration 11/1/10	Calibration certification submitted? Yes 🗆 No 🖸				
TEST RESULTS	5-year or annual test on time? Yes ☑ No ☐				
Readings must be taken at least every 10 minutes for a minimum of 30 minutes for Class II, III and V wells and					
minutes for Class I wells.	After rework? Ves No X				
For Class II wells, annulus pressue should be at least 300 psig. For Class I wells, annulus pressure should be the	Newly permitted well? Yes □ No ☒				
greater of 300 psig or 100 psi above maximum permitted	<u> </u>				
injection pressure.					
Original chart recordings must be submitted with this for	m.				
Pressure (in psig)					
Time Annulus Tubing	Casing size 5-inch nominal				
11:48 162.073 same	Tubing size AQ				
11:58 161.972 same	Packer type inflatable packer				
12:08 161.877 same	Packer set @ 3.18 FT (Top), 503.21 FT (Bottom)				
12:18 161.626 same	Top of Permitted Injection Zone 418				
	Is packer 100 ft or less above top of				
	Injection Zone? Yes No □				
	If not, please submit a justification.				
	Fluid return (gal.) 0.92				
	Comments:				
Test Pressures: Max. Allowable Pressure Change:	Initial test pressure x 0.03 4.862 psi Test Period Pressure change 0.447 psi				
Test Passed ☐ Test Failed ☐					
If failed test, well must be shut in, no injection can occur, Corrective action needs to occur, the well retested, and we recommence.					
I certify under penalty of law that this document and all attachments are, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. (See 40 CFR 144.32(d))					
lan Ream	1-10.701				
	Company Representative Date				

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY STANDARD ANNULAR PRESSURE TEST

Operator Florence Cop	per, Inc.		State Perm	nit No. P-101704	
Address 1575 West Hu		27.55		ermit No. R9UIC-AZ3	3-FY11-1
Florence, AZ 8				est 11/30/2021	
Well Name I-02				Env-Injection-Class III	
	DA (A TION)	0 , 0			0 .
LOCATION INFO		Quarter of		arter of the SW	Quarter
of Section 28	; Range 9E	; Towns	ship 48	; County Pinal	;
Company Represen	tative Ian Ream	; F	Field Inspector Collin	Giusti	<u>;</u>
Type of Pressure G	auge Transducer in	nch face; 300	psi full scale;	.001 ps	increments;
	No 🗵 If no, date of	calibration 11/1/2017	Calibration certifi	cation submitted?	Yes □ No 🗵
TEST RESULTS	1		5-year or an	nual test on time?	Yes No □
	aken at least every 10 a nutes for Class II, III a		2-year test for TA		
minutes for Class I		nd v wens and oo	2 year test for 171		
	nnulus pressue should			After rework?	
2 -	ells, annulus pressure		Newl	y permitted well?	Yes □ No 🗵
injection pressure.	or 100 psi above maxi	mum permitted			
	dings must be submitt	ed with this form.			
	8				
	Pressure (in				
Time	Annulus	Tubing	Casing size 5		
14:01		same	Tubing size		
14:11		same	Packer type		
14:21		same		3.66 FT (Top), 503.56	
14:31	150.479	same	•	itted Injection Zon	
			Is packer 100) ft or less above to	op of
			Injection Zor	ne ? Yes 🗵 No 🗖	
			If not, please	submit a justifica	tion.
			Fluid return (
			Comments:	,	
T. A.D.	M - M - M - M - D -	CI T I	. 1	0.2 4.470	
Test Pressures:	Max. Allowable Pre	_	*		psi
m . n . 1 =	# . P !! . I =	105	t Period Pressure ch	lange 1.140	psi psi
Test Passed	Test Failed □				
If failed test well m	ust be shut in, no injec	etion can occur and	LUSEPA must be co	ontacted within 24	hours
	eds to occur, the well				
recommence.	eds to occur, the went	retested, and writte	ii aamorization ieee	rved before inject	ion can
I certify under penal	ty of law that this doci	ument and all attacl	nments are, to the b	est of my knowled	lge and
	, and complete. I am a			-	_
	ng the possibility of fir		_	_	
lan Ream					1-10-2022
	npany Representative	Signature of Cor	mpany Representati	ve	Date

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY STANDARD ANNULAR PRESSURE TEST

Operator Florence Copper, Inc.				State Permit No. P-101704			
Address_1575 West Hunt Highay				USEPA Permit No. R9UIC-AZ3-FY11-1			
Florence, AZ 85132				Date of Test _12/06/2021			
Well Name 1-03			15.	W	Vell Type Env-Injection-Cl	ass III	
LOCATION INFO	RMATION S	w _C	uarter of	the NE	Quarter of the	SW Quarter	
of Section 28	; Range _9E		; Town:	ship 48	; County Pina	al ;	
Company Representative Ian Ream				; Field Inspector Collin Giusti;			
Type of Pressure Ga	Transducer Transducer	inch face;	300	psi ful	l scale; .001	psi increments;	
New Gauge? Yes □	No ☑ If no. date	of calibratio	n 11/1/2017	Calibration	on certification subm	itted? Yes □ No 国	
TEST RESULTS					ear or annual test on t		
Readings must be ta minimum of 30 min	•						
minutes for Class I	wells.			2 year ter		vork? Yes □ No □	
For Class II wells, a psig. For Class I we	_					well? Yes □ No □	
greater of 300 psig of					riewiy perimeted	Went. Tes El Tio El	
injection pressure.	dings must be subn	aittad svith th	ia farm				
Original chart record	ings must be subir	mued with th	iis ioiiii.				
TC'	Pressure			0	E lack possibal		
Time 12:50	Annulus	Tubing same	g		ing size 5-Inch nominal ing size AQ		
13:00	156.123	same			ker type inflatable packer		
13:10	155.250	same		Pack	cer set @ 3.15 FT (Top),	503.18 (Bottom)	
13:20	154.314	same			of Permitted Injectio		
				Is pa	acker 100 ft or less ab	ove top of	
				Inje	ction Zone ? Yes 🗵 1	No 🗖	
					ot, please submit a jus		
					d return (gal.) 0.70		
			(Comments:			
Test Pressures: Max. Allowable Pressure Change: Initial test pressure x 0.03 4.703 psi Test Period Pressure change 2.457 psi							
Test Passed 🗵	Test Failed 🗖						
If failed test, well must be shut in, no injection can occur, and USEPA must be contacted within 24 hours. Corrective action needs to occur, the well retested, and written authorization received before injection can recommence.							
I certify under penalty of law that this document and all attachments are, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. (See 40 CER 144 22(d))							
information, including the possibility of fine and imprisonment for knowing violations. (See 40 CFR 144.32(d))							
GM							
lan Ream	D		do	n	1.1.	1-10-2022	
Printed Name of Cor	npany Representat	ive Agnat	ure of Co	mpany Kep	resentative	Date	

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY STANDARD ANNULAR PRESSURE TEST

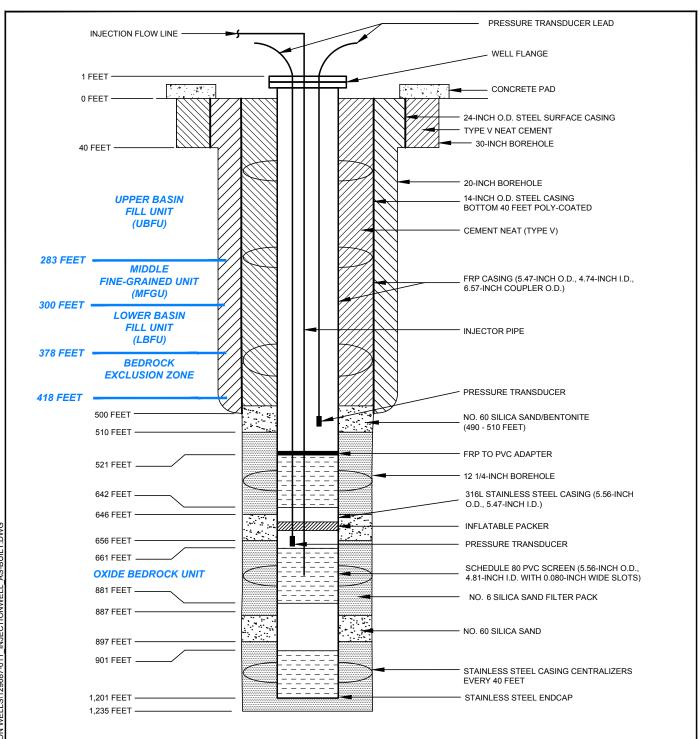
Operator Florence Copp	per. Inc.		Sta	ite Permit No. P-101704			
			State Permit No. P-101704				
Address 1575 West Hunt Highay			USEPA Permit No. R9UIC-AZ3-FY11-1				
Florence, AZ 85132			_ Da	Date of Test _12/17/2021			
Well Name 1-04			We	Well Type Env-Injection-Class III			
LOCATION INFORMATION SW Quarter			of the NE	Quarter of the SW	Quarter		
of Section 28	; Range 9E	; Toy	vnship 48	; County Pinal			
Company Represent	Company Representative Ian Ream ; Field Inspector Collin Giusti ;						
Type of Pressure Gauge Iransducer inch face; 300 psi full scale; .001 psi increments;							
New Gauge? Yes □	No ■ If no, date	of calibration 11/1/2	Calibratio	n certification submitted?	? Yes □ No ■		
TEST RESULTS			5-ve	ar or annual test on time?	Yes ⊠ No □		
Readings must be tal	•						
minimum of 30 minu minutes for Class I v		i and v wells and t	2-year test				
For Class II wells, an		uld be at least 300		After rework?	Yes 🛮 No 🖾		
psig. For Class I we				Newly permitted well?	Yes □ No 🗵		
greater of 300 psig o	r 100 psi above ma	aximum permitted					
injection pressure.	P						
Original chart record	lings must be subm	litted with this forn	1.				
•	Pressure	(in psig)					
Time	Annulus	Tubing	Casin	ig size 5-Inch nominal			
10:19	156.124	same	Tubir	ng size AQ			
10:29	156.883	same		er type inflatable packer			
10:39	157.886	same		er set @ 3.18 FT (Top), 503.21			
10:49	158.750	same		of Permitted Injection Zon			
MICHAEL STATE	The second second		-	cker 100 ft or less above t	-		
				tion Zone ? Yes 🛘 No 🗖			
				, please submit a justifica	ition.		
			Comments:	return (gal.) 0.83			
	1		Comments.				
Test Pressures:	Max. Allowable	Pressure Change: I	nitial test press	sure x 0.03 4.68	psi		
			Test Period Pre	ssure change 2.62	psi		
Test Passed	Test Failed						
		*		ust be contacted within 24			
	eds to occur, the we	ell retested, and wr	itten authorizat	ion received before inject	tion can		
recommence.							
I certify under penalty of law that this document and all attachments are, to the best of my knowledge and							
belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false							
information, including the possibility of fine and imprisonment for knowing violations. (See 40 CFR 144.32(d))							
		\bigcap					
Ian Ream		1///			1-10-2017		

Printed Name of Company Representative Signature of Company Representative

Date

APPENDIX B

Injection Well As-Built Diagrams



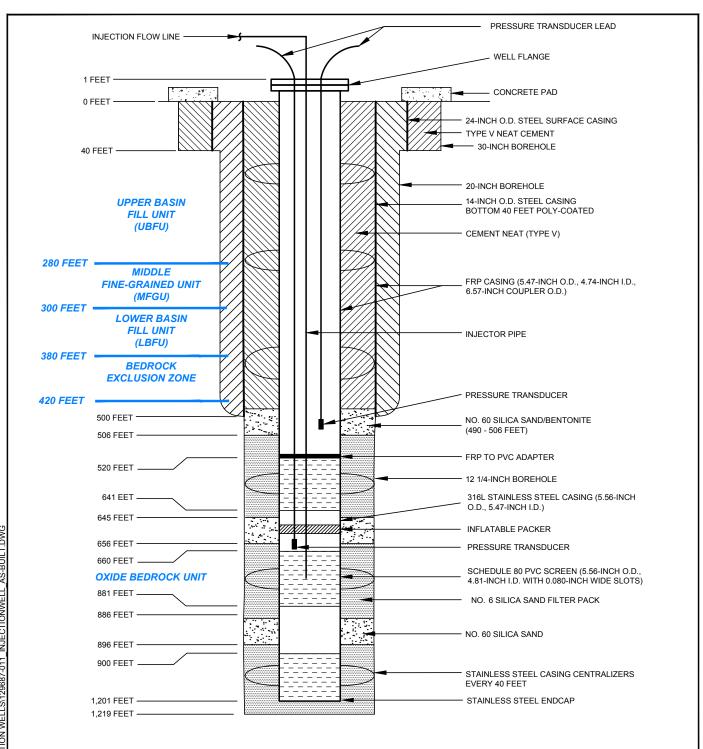
- 1. WELL REGISTRATION NO.: 55-227963
- 2. CADASTRAL LOCATION: D(4-9) 28 CAC
- 3. MEASURING POINT ELEVATION: 1482.67 FEET AMSL
- 4. I.D. = INSIDE DIAMETER
- 5. O.D. = OUTSIDE DIAMETER
- 6. PVC = POLYVINYL CHLORIDE
- 7. FRP = FIBERGLASS REINFORCED PLASTIC
- 8. SOUNDING TUBE INSTALLED TO ~500 FEET



PRODUCTION TEST FACILITY FLORENCE COPPER, INC. FLORENCE, ARIZONA

INJECTION WELL I-01 AS-BUILT DIAGRAM





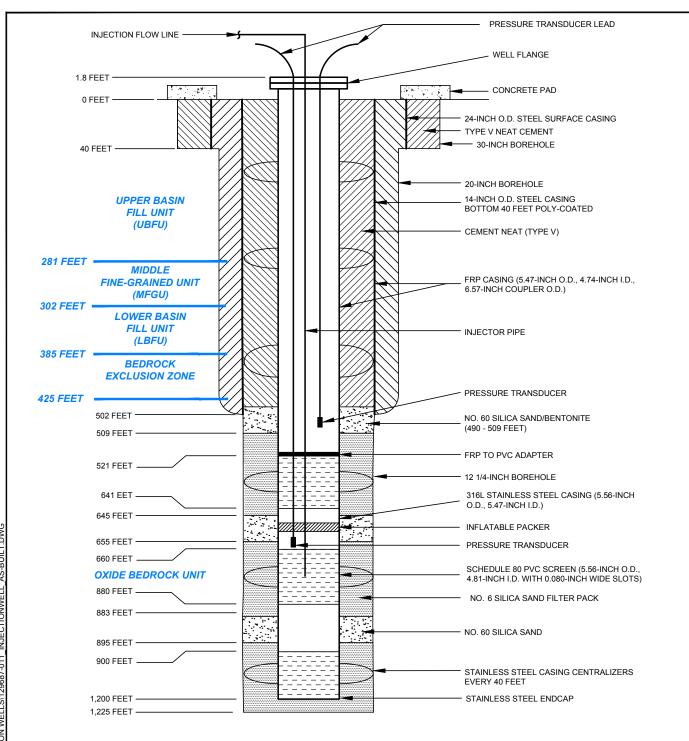
- 1. WELL REGISTRATION NO.: 55-227964
- 2. CADASTRAL LOCATION: D(4-9) 28 CAC
- 3. MEASURING POINT ELEVATION: 1482.61 FEET AMSL
- 4. I.D. = INSIDE DIAMETER
- 5. O.D. = OUTSIDE DIAMETER
- 6. PVC = POLYVINYL CHLORIDE
- 7. FRP = FIBERGLASS REINFORCED PLASTIC
- 8. SOUNDING TUBE INSTALLED TO ~500 FEET



PRODUCTION TEST FACILITY FLORENCE COPPER, INC. FLORENCE, ARIZONA

INJECTION WELL I-02 AS-BUILT DIAGRAM





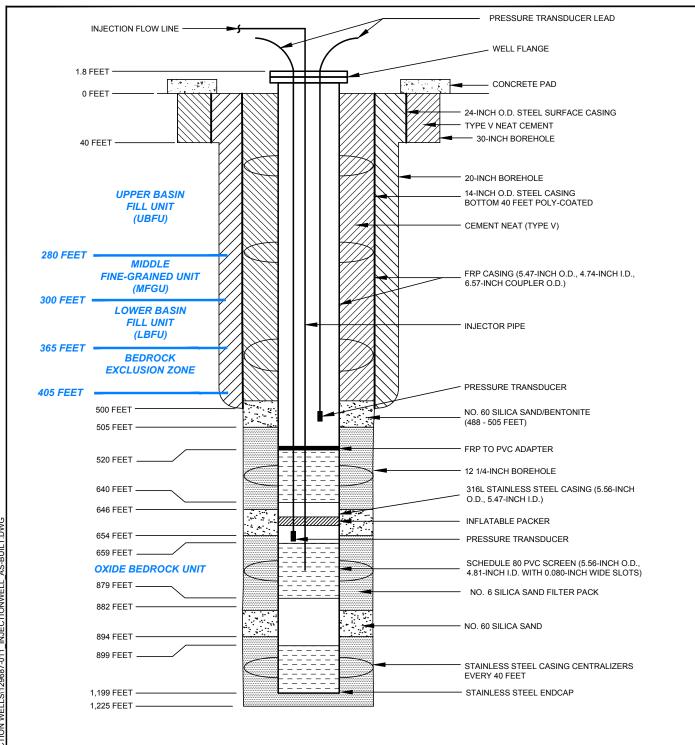
- 1. WELL REGISTRATION NO.: 55-227965
- 2. CADASTRAL LOCATION: D(4-9) 28 CAC
- 3. MEASURING POINT ELEVATION: 1480.71 FEET AMSL
- 4. I.D. = INSIDE DIAMETER
- 5. O.D. = OUTSIDE DIAMETER
- 6. PVC = POLYVINYL CHLORIDE
- 7. FRP = FIBERGLASS REINFORCED PLASTIC
- 8. SOUNDING TUBE INSTALLED TO ~500 FEET



PRODUCTION TEST FACILITY FLORENCE COPPER, INC. FLORENCE, ARIZONA

I-03 INJECTION WELL AS-BUILT DIAGRAM





- 1. WELL REGISTRATION NO.: 55-227966
- 2. CADASTRAL LOCATION: D(4-9) 28 CBD
- 3. MEASURING POINT ELEVATION: 1482.16 FEET AMSL
- 4. I.D. = INSIDE DIAMETER
- 5. O.D. = OUTSIDE DIAMETER
- 6. PVC = POLYVINYL CHLORIDE
- 7. FRP = FIBERGLASS REINFORCED PLASTIC
- 8. SOUNDING TUBE INSTALLED TO ~500 FEET



PRODUCTION TEST FACILITY FLORENCE COPPER, INC. FLORENCE, ARIZONA

I-04 INJECTION WELL AS-BUILT DIAGRAM

